

DESENSITIZED
REF ID: A70-17

SECRET

OTRA-5554

BQFINESSE

28 October 1954

Chief, WE
Attn: Chief, Italian Branch
Senior Representative, ☐ ☐

Operational
Intelligence Approach to Embassy by
Avv. Giacomo BEL PAPA

Ref: ☐ 8992

1. The last week of August 1954, Mr. CHURCHILL of the East-West Trade Section of the Embassy passed ☐ the attached memorandum which he said he had received from a contact of Charles SIRAGUSA, ~~Head, Narcotics Agent~~. He identified the contact as Egidio PASQUALE (no traces). PASQUALE had presented himself at SIRAGUSA's office and finding SIRAGUSA out had spoken to the secretary. He told the secretary he had some important information, some of which involved East-West trade. In view of the trade angle the secretary called CHURCHILL who, together with Mr. LINDSAY of the Economic Section, interviewed PASQUALE in SIRAGUSA's office.

2. PASQUALE reported to them the essentials of the attached memorandum which he gave to them and also told them that the same unidentified persons mentioned in the attachment were involved in East-West Trade about which he said he could supply more information if desired. CHURCHILL and LINDSAY, recognizing the intelligence aspects, made no commitments and referred the matter to ☐ ☐ They did, however, extract from PASQUALE the additional information that the "ex-agent" described was a German national.

3. From the content of the attached, ☐ ☐ deduced that the "ex-agent" was undoubtedly Karl HASS. Upon SIRAGUSA's return to Rome on 17 September ☐ discussed Subject with him and queried him as to how much he knew about PASQUALE, and how long he had used him as a narcotics informant. SIRAGUSA said he had met PASQUALE about a year ago, knew very little about him, and only occasionally received narcotics leads from him. He added however that he never trusted PASQUALE whom he described as a slippery sort who appeared to live by his wits. SIRAGUSA said PASQUALE had been to see him on 16 September, had repeated his story of the attachment and had offered to bring the Avvocato, who was in possession of the documents, and the documents to

SECRET

NAZI WAR CRIMES DISCLOSURE ACT

EXEMPTIONS Section 3(b)
(1) Privacy ☐
(2) Methods/Sources ☒
(3) Foreign Relations ☐

BEST AVAILABLE COPY

Declassified and Approved for Release
by the Central Intelligence Agency
Date: 2005

SECRET

OIRA-5554

BOFINESSE Page 2

his office. SIRAGUSA asked [] if he would like him to set an appointment in his office for [] to sit in on the interview with the man. [] agreed on an appointment for 20 September and cautioned SIRAGUSA to make no commitments re the offer to sell the materials.

4. On 20 September [] met three men identified as Egidio PASQUALE, Avv. (fnn) DEL PAPA (now identified as Giacomo DEL PAPA of OIR-10725) and (fnn) DEL PAPA who was introduced as a cousin of the Avvocato. [] was not identified to the three men but indicated that he was interested in their story on the basis of a possible security threat to the Embassy. The Avvocato did most of the talking with [] while the other person, allegedly the cousin of Avv. DEL PAPA, had little to say as did PASQUALE. The gist of the conversation was a review of the information contained in the attached plus the insertion of a fourth personality. Thus the story of the attached was revised as follows: The ex-agent (HASS) had a trusted friend and business partner (EMBECKE) who had had a disagreement with (HASS) and consequently began to watch him. (EMBECKE) had a duplicate key made to (HASS's) apartment, entered, and found there NATO documents in microfilm as well as false Italian and foreign passports. The partner (EMBECKE) took one passport, a false Italian identity card, a roll of microfilm and some Italian government envelopes with broken seals. He also took a list of the names and addresses of agents with whom (HASS) deals. All this he consigned to the lawyer DEL PAPA whom he asked to contact the Americans in an attempt to sell the materials. DEL PAPA being a friend of PASQUALE and knowing of PASQUALE's contact with SIRAGUSA requested PASQUALE to make the initial approach described in paragraph 1 above.

5. The lawyer informed [] that the friend (EMBECKE) could make available all the material stored by (HASS) in his apartment for \$25,000 (a figure which was later reduced to \$5,000). DEL PAPA continued with his sales talk and told [] the ex-agent (HASS) worked for the Italian government; that the false credentials he held had been issued to him by CAPUTO of the Ministry of Interior but that the Italians were not aware that he had doubled in favor of the Soviets.

6. [] informed the trio that the matter they were discussing was clearly a case of espionage and the American Embassy was not interested in such matters. He advised the men to take their story to the Italian authorities and pointed out that in his opinion the men, as loyal Italian citizens, had the obligation to report the matter to their government immediately. [] reminded them that they were Italian citizens subject to Italian law and were treating with German nationals who were apparently engaging in espionage against the State. [] ventured the

SECRET

BEST AVAILABLE COPY

S E C R E T

OIRA-5554

~~CONFIDENTIAL~~
BOFINESSE, Page 3

opinion that they were playing a dangerous game under the Italian law. DEL PAPA stated he had no fear of the law since he was protected by a lawyer dealing in the interest of a client and added that he knew the law well enough to protect himself. [] said that what DEL PAPA did was his business and personally [] did not care what he did since it was no concern to him or the Embassy. [] added however that the security of the U. S. Embassy was his concern and said if DEL PAPA wanted to give him the name of the secretary who was allegedly involved he would be happy to receive it. [] again stated that the Embassy had no funds available to buy such information but that should they, out of motives of good will, care to give the name he would appreciate it. DEL PAPA countered by saying he could not go any further or divulge any information without the authorization of his client (EMBCKE). At that point [] closed the interview by stating that we had nothing further to talk about and repeated that should they want to communicate the name of the secretary they could give it to PASQUALE who could pass it to SIRAGUSA.

7. Throughout the conversation described here the names of HASS and EMBCKE were not mentioned. The names above in parenthesis have been inserted by [] for clarity.

8. On 27 September SIRAGUSA called [] to tell him that PASQUALE had returned, was in his office and had identified the secretary. [] went to SIRAGUSA's office and talked to PASQUALE. PASQUALE told [] that he had gone to SIFAR as an intermediary for DEL PAPA. He said that he had been assigned the task of informing SIFAR because he had contacts there. According to PASQUALE he arranged a meeting in a cafe among EMBCKE, DEL PAPA and the SIFAR man whom he knows only as Mattel. (He implied that this was not his real name.) EMBCKE described to Mattel the documents he had and Mattel offered to pay 150,000 lire for them. They agreed to meet again the next day for the exchange. At this meeting Mattel gave EMBCKE 200,000 lire and told EMBCKE to count it. EMBCKE said he trusted Mattel and did not need to count it and put the money in his purse, at which point another SIFAR man (unidentified) came up to EMBCKE and DEL PAPA and arrested them.

9. [] did not press PASQUALE for details but closed the interview with a platitude on the penalty that befalls those who try to pull off a fast deal. PASQUALE remarked that HASS and EMBCKE would probably just suffer expulsion and DEL PAPA would be let off easy.

10. The secretary involved was identified by PASQUALE as CELLETTI who has been determined to be identical with Silvana CELLETTI, a

S E C R E T

38
RIS INT-7 Rev.

BEST AVAILABLE COPY

SECRET

CIIRA-5554

BUFILESSM Page 4

receptionist in the office of the Naval Attache. For traces on GILLETTI see WIRM-242 and KAPOK-2424. PASQUALE also identified GILLETTI's fiancée (the photographer mentioned in the attachment) as Dr. Antonio AGOSTINO who is of course identical with the Subject of WIRM-245.

11. ☐ has been requested to supply an up-to-date report on GILLETTI.

Prepared by ☐
22 October 1954

Enclosure: Memo, undtd. as above

Distribution:
4-Wash
2-Files
sqg 26 Oct 54

SECRET

DECLASSIFIED
BY 68 43-23

BEST AVAILABLE COPY